

## Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 COM-02 MCE-00 CAB-02 CIAE-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 ICA-11  
TRSE-00 SOE-02 DOE-15 /064 W  
-----030791 070140Z /64

R 061105Z JUL 78  
FM AMEMBASSY TRIPOLI  
TO SECSTATE WASHDC 5632  
INFO AMEMBASSY CAIRO  
AMEMBASSY ROME  
AMEMBASSY TUNIS

C O N F I D E N T I A L TRIPOLI 0936

ROME FOR CAA

E.O. 11652: GDS  
TAGS: EAIR, BEXP, PEPR, US, LY  
SUBJECT: BOEINGS FOR LIBYA

REF: STATE 168054 (NOTAL)

1. THIS EMBASSY WAS PLEASED TO NOTE FROM REFTEL THAT THE DEPARTMENT IS RECONSIDERING ITS EARLIER DECISION TO PROHIBIT THE SALE OF BOEINGS TO THE LIBYAN ARAB AIRLINE (LAA). WE CONTINUE TO BELIEVE THAT TRADE DENIALS OF THE PAST FEW YEARS HAVE DONE NOTHING TO IMPROVE QADHAFI'S BEHAVIOR AND IF ANYTHING HAVE MERELY CREATED FURTHER GRIEVANCES AND GREATER INTRANSIGENCE IN THE LIBYAN LEADERSHIP.

2. WE LACK THE EXPERTISE AND OVERVIEW AVAILABLE IN WASHINGTON FOR DEALING WITH SUCH LARGE ISSUES AS THE U.S. TRADE DEFICIT, THE DECLINING DOLLAR, AND ASSOCIATED PROBLEMS. HOWEVER, FROM OUR VANTAGE POINT IN A COUNTRY ACCOUNTING FOR \$3.5 BILLION OF LAST YEAR'S TRADE DEFICIT, IT DOES NOT APPEAR THAT THE U.S. IS CURRENTLY IN SUCH A FAVORABLE  
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POSITION THAT IT CAN AFFORD TO PASS UP CASH SALES OF TWO 727'S, AND PRESUMABLY THE THREE 747'S OR EQUIVALENT AIRCRAFT DESIRED BY LIBYAN ARAB AIRLINES, SIMPLY TO ARTICULATE OUR DISPLEASURE WITH QADHAFI'S ACTIONS. INDEED, IT WOULD APPEAR TO MEET OUR POLITICAL AIMS AS WELL AS BALANCE OF PAYMENTS NEEDS, TO SELL THE LIBYANS PROMPTLY ALL THE LARGE-TICKET CIVILIAN ITEMS WE CAN, NEEDED OR NOT, THEREBY

REDUCING THE SURPLUS FUNDS AVAILABLE FOR FOREIGN ADVENTURES.

3. WE URGE THE DEPARTMENT TO WEIGHT CAREFULLY WHAT HAS OR HAS NOT BEEN ACCOMPLISHED WITH LIBYA BY PAST TRADE DENIALS, AND WHAT IS LIKELY TO BE ACCOMPLISHED BY A FINAL DENIAL OF U.S. CIVIL AIRCRAFT. A RATIONAL GROUP OF LIBYANS HAS BEEN ALLOWED TO MANAGE THE LIBYAN REACTION TO THE DEPARTMENT'S FEBRUARY DECISION IN THE ASSUMPTION THAT THE DECISION COULD BE REVERSED, THAT THE U.S. WOULD HAVE MADE ITS POINT, AND THE AIRLINE WOULD EVENTUALLY GET ITS BOEINGS AND WOULD NOT HAVE TO SWITCH TO EUROPEAN AIRCRAFT. IF THIS GROUP LOSES, WE CAN EXPECT A FURTHER REACTION BY THE LESS RATIONAL TOP LEVEL OF THE LIBYAN GOVERNMENT, A REACTION WHICH COULD JEOPARDIZE OUR REMAINING COMMERCIAL INTERESTS HERE AND THE REMAINING U.S.-LIBYAN TIES.

CARLE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, COMMERCIAL AIRCRAFT, EXPORT LICENSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TRIPOL00936  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Review Event:**  
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**TAGS:** EAIR, BEXP, PEPR, US, LY, BOEING  
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**Review Markings:**  
Sheryl P. Walter  
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